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Vietnam:

South Vietnam: No significant ground actions were reported on 3-4 November.

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President Thieu is generally discouraging street demonstrations; he believes that the government does not need to whip up additional popular support now for its position opposing talks with National Liberation Front representatives. The Catholic Greater Solidarity Force nevertheless was given permission to hold a large meeting on 5 November and an estimated 3,000 paraded past the US Embassy en route to the gathering. Permission was also given for a delegation to go to Independence Palace with a statement of support for the government. The Saigon government built a barricade in front of the US Embassy, probably in order to provide an atmosphere of tension for the march.

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The Viet Cong probably will exploit South Vietnamese concerns about the bombing halt and the Paris negotiations by further accelerating political action in the countryside. The Viet Cong have been exerting new efforts for some months to strengthen their local organizations, to terrorize local officials, and to persuade civilian and military personnel to defect. More recently, the Viet Cong have begun to take the line that peace is not far off and that now is the time to join the victorious side in order to avoid punishment for working against the revolution. Some officials in the provinces have suggested that a bombing halt would probably precede an accommodation with the Viet Cong and an eventual Communist take-over, and they may now be more vulnerable to the new Communist line.

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There are also some indications that the Communists are trying to give a number of cadre legal status with a view to operations after a cease-fire. Some of the large number of Communists defecting in IV Corps are reportedly coming over in order to be in position for future political activity in government-controlled areas.

The Viet Cong are stepping up

efforts to penetrate government agencies, including the National Police.

North Vietnam: The Vietnamese Communists are pressing the propaganda advantage resulting from Saigon's refusal to join the Paris talks.

Madame Binh, the head of the newly arrived Liberation Front delegation in Paris, says that she is ready to attend Wednesday's meeting although Saigon is not. The Hanoi party daily claimed on 4 November that the Front is fully competent to settle all the problems of South Vietnam, and it predicted that the "Thieu-Ky-Huong" clique would soon be overthrown.

Jordan: The security situation in Amman is increasingly fragile as authorities struggle to curtail terrorist activities in the capital.

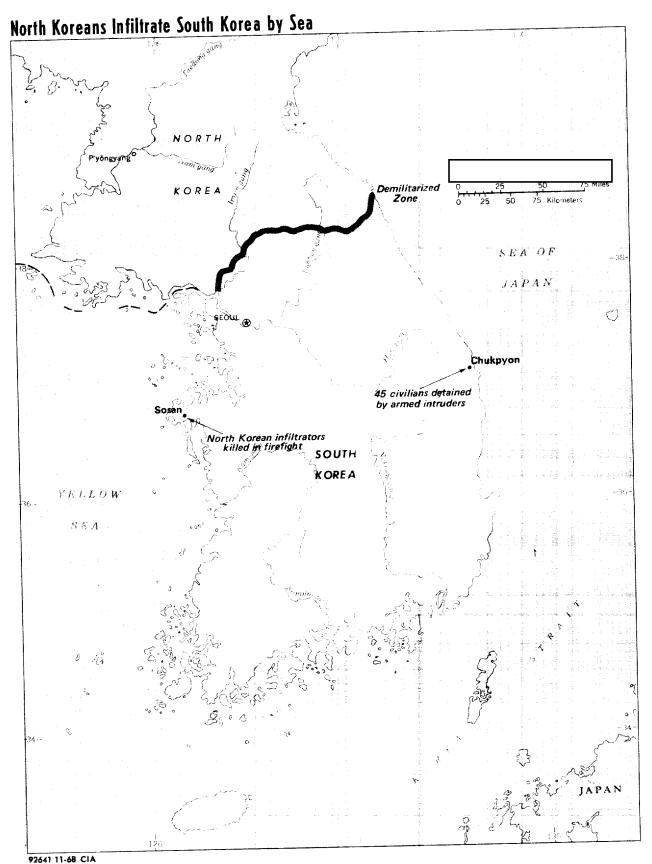
The King has moved cautiously in his relations with the terrorists. Most of the major groups have been relatively cooperative with the government—at least while in Amman—but on 2 November a splinter terrorist organization marched on the US Embassy. This provoked a major disturbance throughout the city, where rumors had apparently been spreading that the government was cracking down on all terrorist organizations.

The security authorities managed on 3 November to arrest the larger part of the organization which had started the trouble. Some members resisted, however, and shooting incidents between terrorists and the authorities occurred in widespread areas of Amman. At least seven persons were killed and approximately 100 wounded.

King Husayn made a radiobroadcast yesterday to describe the government's attitude toward the terrorist organizations. He stressed that his government's move had been against only the one offending terrorist gang, but the other organizations are doubtless apprehensive that his next moves may be directed against them. Major organizations such as Fatah are apparently still cooperating with the authorities. Fatah members have been instructed by their organization to maintain calm and not to carry arms while in Amman.

Further conflict, however, is inevitable. Although the King would appear to have won for the moment, the terrorists are well aware that public sympathy for their cause is increasing and they almost certainly will challenge him if he tries to crack down on major groups.

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Korea: South Korean forces have reacted sharply to two separate North Korean sea infiltrations over the weekend.

After landing on South Korea's central east coast, an unknown number of armed intruders, instead of trying to avoid detection, moved into a village and detained over 45 civilians for a period before leaving. No contact has been reported yet between the intruders and security forces, but South Korean military authorities estimate a maximum of 60 infiltrators may be in the area, possibly divided into several operational and support teams. The government has declared military operational control of the area, mobilized several thousand homeland reserve personnel, and moved in a marine battalion and a special forces unit.

A North Korean landing also occurred on the west coast near Sosan on 1 November. Two infiltrators were killed in a fire fight and a cache of equipment was uncovered during a sweep of the area.

South Korean reaction forces are greatly improved over last year. Although further incidents may occur, prospects are good that these forces can apprehend and neutralize the infiltrated teams.

This year only three other sea infiltration attempts have been confirmed. All apparently involved small-scale espionage operations. The new landings occurred at a time of increased tension along the Demilitarized Zone. In the last two weeks there has been a rash of ambushes and minings by North Koreans, and on 3 November a North Korean platoonsized force was supported by mortar attacks as it exchanged fire with South Korean personnel across the zone.

Communist China: A significant step toward closing out the Cultural Revolution was taken at the recent plenum of the party central committee.

A communiqué issued after the plenum--the first to be convened in more than two years--announced that the long overdue ninth party congress will be held at an unspecified date. The congress presumably will ratify the new provincial government machinery--staffed mainly by military men and old party cadres-which has been formed slowly and with much argument over the past year and a half.

The latest plenum, which lasted from 13 to 31 October, may have been stormy. The communique appears to be a compromise document with something for everyone. The document endorsed the current Maoist economic and administrative policies, which have a strongly radical thrust. Any congress held in the near future, however, would probably have a conservative cast.

The focus of editorial comment in the past month suggests that a key question is who should be given power in the reconstructed party apparatus. While the plenum was going on, treatment of this issue in Shanghai media--used in the past by Mao Tse-tung and the Cultural Revolution Group in Peking to air their views--placed greater emphasis than did Peking news-papers on the dangers of allowing veteran party cadres to dominate new governing bodies.

It seems likely that continued arguments over positions in the power structure will result in prolonged delay in convening the party congress, although the plenum communiqué asserted that conditions for the meeting have been prepared.

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Panama: Recent junta decisions leave little doubt that the real power rests with two national guard colonels rather than the provisional administration.

The machinations surrounding the decision last week to reopen newspapers owned by relatives of deposed president Arias reflect the dominance of coup leaders Colonels Torrijos and Martinez. An earlier decree allowing pro-Arias newspapers to open was countermanded by Torrijos and Martinez; their personal choices have now been installed to run the papers.

Two of the key editorial appointees have Communist backgrounds. According to available information, both are members of the International Organization of Journalists, a Communist-front organization. These appointments probably reflect the influence of Colonel Torrijos' younger brother, who is an extreme leftist.

The junta meanwhile continues to meet little serious resistance to its rule. An illegal march by several hundred students in Panama City on 3 November was quickly broken up by the guard. No serious disorders are expected during the remainder of the Independence celebrations which end today.

USSR: New Soviet data suggest that price increases, resulting from the wholesale price reform of mid-1967, probably account for about a third of the large rise in the defense and science budgets that Moscow announced for 1968.

The defense category of the Soviet budget was scheduled to grow by 15 percent this year, a rate about twice that experienced during 1966 and 1967. The allocation for science, largely funds for military research and development and for space programs, was to increase by 11 percent.

When the Soviet defense and science budgets were announced a year ago, Western analysts believed that the increase of 2.9 billion rubles—the total for the two budget categories—might reflect price increases or changes in budget accounting practices in addition to actual increases in military programs. No evidence of a change in accounting practices has been uncovered, but a more precise estimate of the magnitude of the price inflation is now possible.

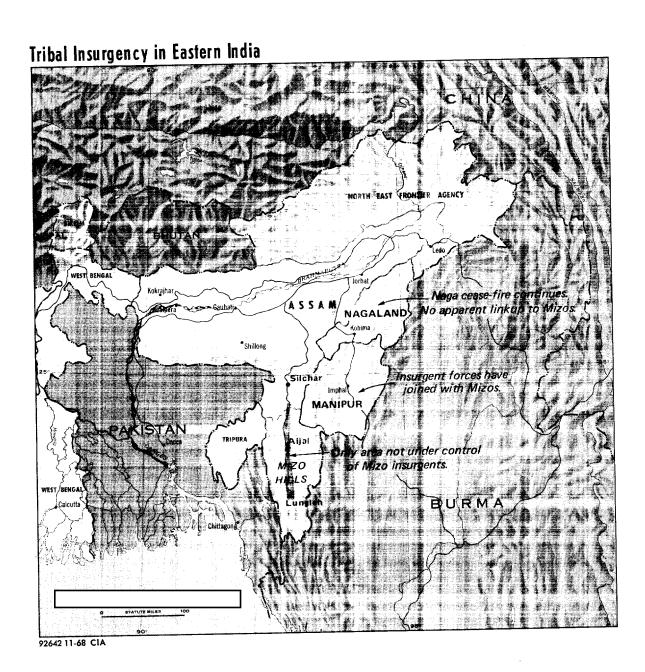
The new, higher prices for basic materials and military hardware purchased by the defense establishment this year are estimated to have boosted expenditures by between 700 million and 1.2 billion rubles over what they would have been in the absence of the price reform.

UN-Disarmament: Pressure is developing to have the General Assembly establish machinery to perpetuate the Conference of Nonnuclear Countries despite US and Soviet opposition.

The conference, which was held last September in Geneva, approved a resolution asking the assembly to look into the need for convoking similar conferences in the future. Pakistan is preparing a draft resolution calling for a permanent committee to carry on the work of the conference, with emphasis on continuing the discussion of security problems facing nonnuclear countries. The Italians and Brazilians are pushing similar proposals.

A Soviet diplomat at the UN has suggested that the US and USSR combine efforts to block the non-nuclears' bid. The Soviets intend to move quickly to impress Moscow's vigorous objection on several delegations that are consulting on the Pakistani resolution. Moscow has repeatedly expressed its fear that critics of the nonproliferation treaty want an organization that could be used to weaken the treaty, to delay its coming into force, and to try to extract concessions from its sponsors. The Soviets also oppose any rival body to the Eighteen-Nation Disarmament Committee (ENDC) which would undermine the dominant role of the US and USSR in disarmament matters.

Pressures to perpetuate the conference are related to the interest of several nonnuclear states in expanding the membership of the ENDC. If the current Nonnuclear Conference initiative is thwarted, there will be greater insistence on the latter.



India: Tribal insurgency in the remote Mizo hills of eastern India shows no sign of abating and may even intensify.

The Indian Army, with some 20,000 troops and paramilitary units in the area, appears to be making little progress with its pacification program. The rebels reportedly control most of the Mizo hills district except for the major town of Aijal and the resettled "progressive protected villages" strung out along the Silchar-Aijal-Lungleh road. Even within the heavily guarded villages, however, there are reports of at least tacit support for the insurgents and, only Aijal is fully under the control of the security forces.

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The Mizo situation could deteriorate further. The inspector general of the border security forces, after a recent tour of the district, concluded that the situation was "very bad" and expects serious difficulties in the near future. The Mizo insurgents reportedly are seeking aid from the Chinese Communists, who have provided assistance to the Naga rebels farther to the northeast. Unlike the Naga situation, however, there is no hard evidence of Mizo contact with the Chinese, although they do receive propaganda support. Sporadic reports of a Mizo linkup with the Nagas are also unconfirmed, although the Mizos reportedly have been joined by Kuki tribesmen from neighboring Manipur.

The Indian security forces are able to protect the major administrative centers in the area against Mizo-Kuki attacks, but would be able to do very little about a sharp increase in harassment raids. The insurgents move at will through most of the difficult terrain, apparently with the support of the tribal population.

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USSR: The helicopter carrier Moskva and two SAM-equipped frigates returned to the Black Sea yesterday. The carrier conducted six weeks of antisubmarine training in the Mediterranean. The Soviets' other helicopter carrier is expected to leave the shipyard soon but probably will not be ready for sea until next fall.

Guyana: Prime Minister Burnham announced to parliament yesterday that national elections will be held on 16 December. The opposition parties--pro-Communist Cheddi Jagan's People's Progressive Party and conservative Peter D'Aguiar's United Force--walked out of parliament last week in protest against new electoral regulations, which Burnham's party voted through regardless. Burnham now faces six weeks of increasingly bitter political attack and possible violence. Burnham and his followers can be elected legally even if the opposition boycotts the election, but if the opposition does so Burnham's victory would not look "democratic."

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Chile-UN: Several Chilean Marxists and other leftists on the staff of the UN Economic Commission for Latin America (ECLA) and its affiliated planning institute in Santiago are promoting economic doctrines and other interests of the Communist-Socialist Popular Action Front. ECLA's executive secretary, Carlos Quintana of Mexico, is indifferent to what US Ambassador Korry describes as the pronounced "leftist drift" of these organizations. Since its founding in 1948, ECLA has been a major forum for the dissemination of materials and attacking private enterprise as well as for nationalistic Latin American views on international trade. ECLA's officials have not previously been known to have exploited the organization to further the interests of any political party.

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NATIONAL INTELLIGENCE ESTIMATE

The United States Intelligence Board on 1 No-vember 1968 approved the following special national intelligence estimate:

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"The Situation in Panama"

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